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## THE OPERATION OF BIMETALLISM IN FRANCE.

THERE are, from a legislative point of view, two main divisions of the monetary history of France during the present century. The first covers the period from the passage of the law of 1803 to the limitation of the coinage of silver in 1873 and the final abrogation, in 1876, of the right of free coinage. The second extends from 1876 to the present time. During the period 1803-1876 there were two clearly marked epochs. Of these the first lasted from 1803 to 1848; the second from 1848 to 1873. The first was a period of silver circulation, the second of gold. The transition from the first to the second period was due directly to the new gold which was enabled to effect an entrance into the circulation through the operation of the law of 1803.

This act is frequently referred to as a bimetallic act. The justice of such an attitude toward it will not here be discussed.<sup>1</sup> Whatever the intent of the framers of the law may have been, there can be no doubt that under it France was provided from 1803-1848 with a circulation almost exclusively of silver, while during the early part of the succeeding epoch (1848-1859) the proportions of gold and silver in circulation were almost exactly reversed.

It is with regard to the change in the circulation which occurred from 1848 to 1858 that it is now proposed, by way of orientation, to furnish a few facts.

The ratio of  $15\frac{1}{2}:1$  established by the law of 1803 was, at the time of the passage of the law, almost in accord with the facts of the relative market value of the two methods. From 1801-1804 (inclusive) the ratio was constantly below  $1:15\frac{1}{2}$ , from 1805-1813 it was nearly always above that figure and from 1814-1819 it was again continually below. After 1820 the ratio rose above  $1:15\frac{1}{2}$  and continued to remain so, up to the time of the gold discoveries.<sup>2</sup>

This rise of gold with respect to silver may be traced to three

<sup>1</sup> On this point the collection of French documents dating from 1785-1803, made by Mr. Horton and reprinted in the *International Monetary Conference Report of 1876*, pp. 241-327, may be consulted.

<sup>2</sup> LAUGHLIN, *History of Bimetallism in the United States*. Appendix II. pp. 222-223.

principal changes in the demand for the yellow metal (its production remaining uniform during the period 1800-1848). These changes were :

- (1) The adoption of the gold standard by England (1816).
- (2) The action of Holland in raising the ratio to 1:15.873 (1816).
- (3) The action of the United States in raising the ratio to 1:16 (1834).

Owing to the fact that in consequence of these demands gold was more valuable in the market than at the mint it was impossible that gold should circulate in France by the side of silver until the ratio should change. This did not occur until 1849, when the changes in the other (the supply) side of the equation reduced the value of gold as compared with silver to a point below  $15\frac{1}{2}:1$ ; for during the whole period 1803-1848 the law of 1803 continued in practically unimpeded operation.<sup>1</sup>

It naturally resulted from the undervaluation of gold by France, that it was hoarded or exported in considerable quantities, while on the other hand large amounts of silver flowed in to take its place. The following table displays the effect of the law of 1803 in driving out gold up to 1848, and after that date in driving out silver :

<sup>1</sup> The period from 1803-1860 includes no epoch-making monetary act. The more important monetary laws of the period are those of :

7 Germinal An XI,	<i>Bulletin des Lois</i> , third series, vol. viii. No. 265, p. 43.				
28 Germinal An XI,	<i>Registres des délibérations du Gouvernement de la République</i>				
28 Germinal An XI.					
11 May 1807,	<i>Bulletin des Lois</i> ,	fourth	series,	vol. vi.	No. 246, p. 136.
18 Aug. 1810,	" " " "	fourth	" "	xxx.	No. 308, p. 145.
14 June 1829,	" " " "	eighth	" "	x.	No. 295, p. 377.
28 March 1830,	" " " "	eighth	" "	xii.	No. 346, p. 195.
17 Aug. 1830,	" " " "	ninth	" "	i.	No. 2, p. 31.
8 Nov. 1830,	" " " "	ninth	" "	i.	No. 22, p. 371.
25 Feb. 1835,	" " " "	ninth	" "	x.	No. 354, p. 107.
10 July 1845,	" " " "	ninth	" "	xxxi.	No. 1218, p. 33.
3 May 1848,	" " " "	tenth	" "	i.	No. 34, p. 366.
3 May 1848,	" " " "	tenth	" "	i.	No. 34, p. 370.
22 May 1849,	" " " "	tenth	" "	iii.	No. 168, p. 551.
31 July 1850,	" " " "	tenth	" "	vi.	No. 304, p. 367.
30 April 1852,	" " " "	tenth	" "	ix.	No. 531, p. 1281.
6 May 1852,	" " " "	tenth	" "	ix.	No. 529, p. 1253.
12 Jan. 1854,	" " " "	eleventh	" "	iii.	No. 125, p. 46.
22 March 1854,	" " " "	eleventh	" "	iii.	No. 150, p. 688.
15 July 1854,	" " " "	eleventh	" "	xiv.	No. 202, p. 117.
12 Dec. 1854,	" " " "	eleventh	" "	iv.	No. 247, p. 996.
7 April 1855,	" " " "	eleventh	" "	v.	No. 291, p. 805.
12 March 1856,	" " " "	eleventh	" "	vii.	No. 370, p. 331.
31 Jan. 1857,	" " " "	eleventh	" "	ix.	No. 469, p. 147.
19 Feb. 1859,	" " " "	eleventh	" "	xiii.	No. 667, p. 192.
18 July 1860,	" " " "	eleventh	" "	xvi.	No. 82, p. 181.

FRENCH IMPORTS AND EXPORTS OF PRECIOUS METALS, 1815-1875.  
(IN MILLIONS OF FRANCS)

GOLD										SILVER					GOLD AND SILVER				
IMPORTS					EXPORTS					IMPORTS		EXPORTS			Total Import		Total Export		Diff. in Favor of
Bullion	Coin	Total	Bullion	Coin	Total	Import	Export			Bullion	Coin	Total	Import	Export					
1815	...	...	...	...	...	...	...	...	...	...	...	...	...	...	31	7	24	...	...
1816	...	...	...	...	...	...	...	...	...	...	...	...	...	...	49	155	...	106	...
1817	...	...	...	...	...	...	...	...	...	...	...	...	...	...	112	53	59	...	...
1818	...	...	...	...	...	...	...	...	...	...	...	...	...	...	112	155	...	43	...
1819	...	...	...	...	...	...	...	...	...	...	...	...	...	...	88	89	...	1	...
1820	...	...	...	...	...	...	...	...	...	...	...	...	...	...	110	138	...	28	...
1821	...	...	...	...	...	...	...	...	...	...	...	...	...	...	126	177	...	51	...
1822	...	...	...	...	...	...	...	...	...	...	...	...	...	...	186	57	129	...	...
1823	...	...	...	...	...	...	...	...	...	...	...	...	...	...	201	106	95	...	...
1824	...	...	...	...	...	...	...	...	...	...	...	...	...	...	244	83	161	...	...
1825	...	...	...	...	...	...	...	...	...	...	...	...	...	...	251	135	116	...	...
1826	...	...	...	...	...	...	...	...	...	...	...	...	...	...	174	175	...	1	...
1827	...	...	...	...	...	...	...	...	...	...	...	...	...	...	187	40	147	...	...
1828	...	...	...	...	...	...	...	...	...	...	...	...	...	...	208	29	189	...	...
1829	...	...	...	...	...	...	...	...	...	...	...	...	...	...	148	59	89	...	...
1830	...	...	...	...	...	...	...	...	...	...	...	...	...	...	220	59	161	...	...
1831	...	...	...	...	...	...	...	...	...	...	...	...	...	...	15	181	...	...	...
1832	...	...	...	...	...	...	...	...	...	...	...	...	...	...	132	111	21	...	...
1833	...	...	...	...	...	...	...	...	...	...	...	...	...	...	58	60	...	...	...
1834	...	...	...	...	...	...	...	...	...	...	...	...	...	...	88	75	...	...	...
1835	...	...	...	...	...	...	...	...	...	...	...	...	...	...	66	101	...	...	...
1836	...	...	...	...	...	...	...	...	...	...	...	...	...	...	102	98	94	...	...
Total	...	...	...	...	...	...	...	...	...	...	...	...	...	...	136	82	54	...	...
1837	...	...	...	...	...	...	...	...	...	...	...	...	...	...	116	103	13	...	...
1838	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3442	2040	1642	230	...
1839	...	...	...	...	...	...	...	...	...	...	...	...	...	...	197	59	138	...	...
1840	...	...	...	...	...	...	...	...	...	...	...	...	...	...	173	57	116	...	...
1841	...	...	...	...	...	...	...	...	...	...	...	...	...	...	175	76	99	...	...
1842	...	...	...	...	...	...	...	...	...	...	...	...	...	...	219	74	145	...	...
1843	...	...	...	...	...	...	...	...	...	...	...	...	...	...	185	73	112	...	...
1844	...	...	...	...	...	...	...	...	...	...	...	...	...	...	146	66	80	...	...
1845	...	...	...	...	...	...	...	...	...	...	...	...	...	...	167	105	62	...	...
1846	...	...	...	...	...	...	...	...	...	...	...	...	...	...	156	80	76	...	...
1847	...	...	...	...	...	...	...	...	...	...	...	...	...	...	164	88	76	...	...
1848	...	...	...	...	...	...	...	...	...	...	...	...	...	...	115	77	38	...	...
Total	...	...	...	...	...	...	...	...	...	...	...	...	...	...	159	119	40	...	...
1849	...	...	...	...	...	...	...	...	...	...	...	...	...	...	277	25	252	...	...
1850	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2133	899	1234	...	...
1851	...	...	...	...	...	...	...	...	...	...	...	...	...	...	634	1233	...	...	...
1852	...	...	...	...	...	...	...	...	...	...	...	...	...	...	418	1032	...	...	...
1853	...	...	...	...	...	...	...	...	...	...	...	...	...	...	24	144	...	...	...
1854	...	...	...	...	...	...	...	...	...	...	...	...	...	...	32	34	120	...	...
1855	...	...	...	...	...	...	...	...	...	...	...	...	...	...	52	57	75	...	...
1856	...	...	...	...	...	...	...	...	...	...	...	...	...	...	37	64	96	...	...
1857	...	...	...	...	...	...	...	...	...	...	...	...	...	...	16	37	53	117	...
1858	...	...	...	...	...	...	...	...	...	...	...	...	...	...	11	35	46	92	...
1859	...	...	...	...	...	...	...	...	...	...	...	...	...	...	9	45	54	103	...
1860	...	...	...	...	...	...	...	...	...	...	...	...	...	...	18	51	69	82	...
1861	...	...	...	...	...	...	...	...	...	...	...	...	...	...	14	55	69	90	...
1862	...	...	...	...	...	...	...	...	...	...	...	...	...	...	46	60	47	...	...
1863	...	...	...	...	...	...	...	...	...	...	...	...	...	...	17	68	85	53	...
1864	...	...	...	...	...	...	...	...	...	...	...	...	...	...	1	18	10	214	...
1865	...	...	...	...	...	...	...	...	...	...	...	...	...	...	373	1494	1867	135	...
1866	...	...	...	...	...	...	...	...	...	...	...	...	...	...	6	23	145	168	...
1867	...	...	...	...	...	...	...	...	...	...	...	...	...	...	2	32	131	154	...
1868	...	...	...	...	...	...	...	...	...	...	...	...	...	...	5	15	117	132	...
1869	...	...	...	...	...	...	...	...	...	...	...	...	...	...	21	139	160	27	...
1870	...	...	...	...	...	...	...	...	...	...	...	...	...	...	5	19	151	170	...
1871	...	...	...	...	...	...	...	...	...	...	...	...	...	...	12	29	109	138	...
1872	...	...	...	...	...	...	...	...	...	...	...	...	...	...	4	39	118	157	...
1873	...	...	...	...	...	...	...	...	...	...	...	...	...	...	6	44	107	151	...
1874	...	...	...	...	...	...	...	...	...	...	...	...	...	...	14	46	113	159	...
1875	...	...	...	...	...	...	...	...	...	...	...	...	...	...	9	26	81	107	...
1876	...	...	...	...	...	...	...	...	...	...	...	...	...	...	13	49	89	138	...
1877	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3	39	104	233	...
1878	...	...	...	...	...	...	...	...	...	...	...	...	...	...	3	6	38	...	...
1879	...	...	...	...	...	...	...	...	...	...	...	...	...	...	265	111	110	...	...
1880	...	...	...	...	...	...	...	...	...	...	...	...	...	...	120	145	...	...	...
1881	...	...	...	...	...	...	...	...	...	...	...	...	...	...	54	212	266	...	...
1882	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1883	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1884	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1885	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1886	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1887	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1888	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1889	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1890	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1891	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1892	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1893	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1894	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1895	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1896	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1897	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1898	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1899	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
1900	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

England, Holland, and  
United States adopt  
the gold standard.

GOLD										SILVER						GOLD AND SILVER				Influx of the new gold.		
IMPORTS				EXPORTS				EXCESS		IMPORTS			EXPORTS			EXCESS		Total Import	Total Export		Diff. in Favor of	
Bullion	Coin	Total		Bullion	Coin	Total		Bullion	Coin	Total		Bullion	Coin	Total		Import	Export				Imports	Exports
1849	5	7	12	1	5	6	6	62	229	291	3	44	47	244	....	203	53	250	....	Formation of the Latin Union.		
1850	30	31	61	32	12	44	17	25	130	155	10	72	82	73	....	216	126	90	....			
1851	22	94	116	14	17	31	85	21	158	179	33	68	101	78	....	295	132	163	....			
1852	19	40	59	11	31	42	17	22	158	180	28	155	183	....	3	239	225	14	....			
1853	261	58	319	6	24	30	289	17	96	113	41	189	230	....	117	432	260	172	....			
1854	368	113	481	9	56	65	416	12	88	100	73	191	264	....	164	581	329	252	....			
1855	275	106	381	5	158	163	218	43	78	121	77	241	318	....	197	502	481	21	....			
1856	273	192	465	1	89	90	375	12	98	110	139	255	394	....	284	575	484	91	....			
1857	291	278	569	3	120	123	446	18	80	98	152	306	458	....	360	667	581	86	....			
1858	253	301	554	1	65	66	488	15	146	161	98	78	176	....	15	715	242	473	....			
1859	358	369	727	5	183	188	539	12	199	211	190	192	382	....	171	938	570	368	....			
Total	2155	1589	3744	88	760	848	2896	259	1460	1719	844	1791	2635	395	1311	5363	3483	1080	....	Franco-Prussian War.		
1860	279	191	470	32	127	159	311	12	119	131	146	142	288	....	157	601	447	154	....			
1861	17	227	244	58	210	268	....	21	151	171	80	154	234	....	63	416	502	....	86		Suspension of silver coinage.	
1862	119	283	402	42	195	237	165	28	104	132	116	102	218	....	86	534	455	79	....			
1863	83	287	370	86	272	358	12	28	133	161	126	103	229	....	68	531	587	....	56			Limitation of silver coinage.
1864	110	354	464	33	306	339	125	64	204	268	134	176	310	....	42	732	649	82	....			
1865	96	323	419	56	213	269	150	94	142	236	93	71	164	72	....	655	433	222	....			
Total	704	1665	2369	307	1323	1630	763	247	853	1099	695	748	1443	72	416	3409	3073	537	142			
1866	169	644	813	68	280	348	465	75	175	250	111	94	205	45	....	1063	553	510	....		Suspension of silver coinage.	
1867	225	369	594	43	142	185	409	70	184	254	46	19	65	189	....	848	250	598	....			
1868	200	293	493	30	251	281	212	64	129	193	27	57	84	109	....	686	365	321	....			
1869	157	298	455	36	144	180	275	64	129	193	37	44	81	112	....	648	261	387	....			
1870	69	241	310	100	91	191	119	32	74	106	26	45	71	35	....	416	262	154	....			
Total	820	1845	2665	277	908	1185	1480	305	691	996	247	259	506	490	....	3661	1691	1970	....			
1871	8	136	144	3	355	358	....	47	110	157	18	124	142	15	....	301	500	....	199	Limitation of silver coinage.		
1872	19	123	142	6	186	195	....	53	187	241	16	123	139	102	....	383	334	49	....			
1873	38	138	176	8	276	284	....	108	202	187	389	15	193	208	....	565	492	73	....			
Total	65	397	462	17	820	837	....	375	393	484	787	49	440	489	....	1249	1326	122	199		Suspension of silver coinage.	
1874	128	389	517	3	83	86	431	....	87	347	434	24	50	74	360	....	951	160	791			....
1875	212	381	593	26	113	139	454	....	113	166	279	34	51	85	194	....	872	224	648			....
Total	340	770	1110	29	106	225	885	....	200	513	713	58	101	159	554	....	1823	384	1439	....		
Genl.	4138	6478	11012	838	4152	5400	6220	1687	5495	8631	2028	3838	6284	4074	1727	21140	12866	8924	571			
Total																						

See *Enquête sur la Circulation Monétaire et Fiduciaire de 1869*, vol. vi. pp. 534, 535.

*Report from select committee on Depreciation of Silver, 1876*, Appendix pp. 86, 87 (after the official customs returns).

Thus, so far as the figures for the period 1803-1836 are complete, it is seen that the exports of gold were almost constantly in excess of the imports. Up to 1837 exports of gold amounted to 410 million francs and imports to 396, while silver imports were 1450 millions and silver exports 418 millions, leaving a net import of 1032 millions of francs in silver and a net export of 14 millions in gold.

There is, furthermore, reason to believe that the exports of gold consisted chiefly of coin, while the imports of gold were largely of bullion. At all events, by 1848 the gold coin of France (estimated by Gaudin in 1803 at one-third the total coin circulation of France) had almost wholly disappeared.<sup>1</sup>

<sup>1</sup> Important testimony on this point is yielded by the *Enquête sur la Question Monétaire* (Conseil Supérieur du Commerce, de l'Agriculture et de l'Industrie).

"In 1808," says the *Enquête*, "the metallic circulation of France was valued at 800 millions of gold and about two milliards of silver," . . . but everyone admits that in 1838 . . . the whole of the French circulation did not include more than 200 millions of gold, or scarcely 5 per cent. out of a total circulation of four milliards."—Vol i. p. 562.

Thus in 1838 not over 200 million francs of gold were in circulation. In 1848, however, the movement had reached a considerably more developed stage. The *Enquête* says: "Since the law of Germinal, Ant XI., France has had no gold monetary circulation during the period before 1850. Up to that time silver was *our sole monetary circulation*, but after the gold discoveries of California and Australia gold took the place of silver in the general monetary circulation of the country."—Vol. ii. p. 396.

A more precise statement is furnished by the *Rapport de la Commission Chargée d'Étudier la Question de l'Étalon Monétaire* (Ministère des Finances)" which reported in 1869: "According to the report of Gaudin dated 26 Brumaire An XI, France at that time had one-third of its coin circulation in gold. In 1848 almost all of this gold had disappeared. Out of 53 millions then possessed by the Bank only one million was in gold. This metal had disappeared because from 1808-1848 it had enjoyed a premium which reached, at times, 1.50 per cent." (p. 32.)

The "Enquête of 1858," established for the purpose of studying the monetary question, affords the following testimony (*Documents Relatifs à la Question Monétaire*, p. 8., Ministère des Finances): "People were not slow to perceive that the law of the year XI had attributed to gold a nominal value inferior to its commercial value; gold reached a premium, was sought in the market, and became quite rare in the circulation. In 1838 MM. Dumas and de Colmont expressed the opinion that the relation of gold to silver was in fact 1 : 15.75."

If more testimony is desired the reader may consult the six large volumes (now quite scarce) entitled *Enquête sur . . . la Circulation Monétaire et Fiduciaire*, as follows: Vol. ii. p. 356, vol. iv. p. 218, vol. iv. p. 232, vol. iv. p. 372, vol. iv. p. 391, vol. iv. p. 397, vol. iv. p. 467, vol. iv. p. 561, vol. iv. p. 693, vol. iv. p. 924, vol. ii. p. 590, vol. iv. pp. 429, 430, 457, 546, 694, 708, 947, 964, 486, 487, 709.

Many other facts attest the accuracy of this statement. During the period 1803-1848 comparatively little gold was coined. The following is a summary of the French coinage of gold and silver, 1795-1847 :

Gold	-	-	-	-	1,186,189,220 francs.
Silver	-	-	-	-	3,990,675,971 "
Total	-	-	-	-	5,176,865,192 "

Thus the annual average coinage is :

Gold	-	-	-	-	22,811,331 francs.
Silver	-	-	-	-	76,743,768 "

During the eighteen years ending 1848 the average is :

Gold	-	-	-	-	11,995,155 francs.
Silver	-	-	-	-	97,237,402 "

"The quantity of money augmented but gold was scarce."\*

From 1795 to 1848 gold formed 22.9 per cent. of the coinage, silver 77.1 per cent. From 1830-1848 silver was 89.1 per cent. and gold 10.9 per cent.<sup>2</sup>

With the advent of the new gold the aspect of things was completely changed. The coinage for the next eight years was as follows :

	Gold	Silver	Total
1848.....	39,697,740	119,731,095	159,428,835
1849.....	27,109,560	206,548,663	233,658,223
1850.....	85,192,390	86,458,485	171,650,875
1851.....	269,709,570	59,327,308	329,036,878
1852.....	27,028,270	71,918,445	98,946,715
1853.....	312,964,020	20,099,488	383,063,508
1854.....	526,528,200	2,123,887	528,652,087
1855.....	447,427,820	25,500,305	472,928,125
1856.....	508,281,995	54,422,214	562,704,209
1857.....	572,561,225	3,809,611	576,370,836
1858.....	488,689,635	8,663,568	497,353,203
1859.....	702,697,790	8,401,813	711,099,603
Total .....	4,007,888,215	667,004,885	4,674,893,100

This affords a striking contrast with the preceding period. The annual average up to 1857 was 249,325,507 francs gold and 71,781,099 francs silver, or 77.6 per cent. gold and 22.4 per cent. silver. Never since 1795 had less silver been coined than in 1854.<sup>3</sup>

The table of exports and imports given above tells the same story. After 1852 the import of gold rose suddenly from 16 million francs to

\* LEVASSEUR, *La Question de l'Or*, p. 105.

<sup>2</sup> *Ibid.*

<sup>3</sup> *Ibid.*

290 millions in 1854, to 416 millions and finally in 1857 to 448 millions. From 1853-1857 France gained 1745 millions of gold.

The movement of silver was of course exactly the reverse. Up to 1852 it came in considerable quantities. In that year, however, the reaction set in. The excess of exportation for the year was 2.50 millions. In 1853 it was 116; in 1854, 164; in 1855, 197; in 1856, 284; in 1857, 362 millions. During the last five years, France lost 1126 millions of silver, an annual average of 225 millions.

Thus the law of 1803 did not secure a "concurrent circulation". It furnished a circulation composed of the metal cheapest with reference to the ratio of  $15\frac{1}{2}:1$ . From 1803-1848 this metal happened to be silver; from 1848-1858 it happened to be gold. The transition from a silver to a gold medium of exchange was gladly welcomed by the French people who found the latter metal better suited than silver to the needs of their expanding commerce. "Despite the very profound change which had come about in the metallic circulation in consequence of the inflow of gold and the departure of silver, the public in general and commerce in especial did not manifest either anxiety for the present or apprehension for the future. They did not appear to suffer for they did not demand any remedy."<sup>1</sup>

H. PARKER WILLIS.

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### A SCARCITY OF GOLD?

In a recent number of the journal of the Austrian economists appears an article from the Dutch of N. G. Pierson entitled "A Scarcity of Gold?"<sup>2</sup> Though a professed believer in the theory of international bimetallism the author answers the question which he discusses decidedly in the negative. The arguments advanced by him to show that the so-called appreciation of gold has not been produced by causes

<sup>1</sup> *Documents Relatifs à la Question Monétaire; Enquête de 1858* (Ministère des Finances) p. 8. A striking commentary on the attitude of the French people is found in the two large volumes containing the depositions of the principal financiers of France entitled *Enquête sur la Question Monétaire*. One passage in the report reads: "Will the opposite evolution be as simple, and will the public lend itself voluntarily to the restoration of silver and the exodus of gold? Assuredly not, and a change, the reverse of that which has occurred during the last twenty years would be sure to excite the most lively repugnance." Vol. i. p. 563.

<sup>2</sup> "Goldmangel?"—*Zeitschrift für Volkswirtschaft, Socialpolitik und Verwaltung*. IV. Band, 1. Heft.